



LINDA S. ADAMS  
SECRETARY FOR ENVIRONMENTAL  
PROTECTION

# CALIFORNIA INTEGRATED WASTE MANAGEMENT BOARD



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October 31, 2008

Mary Jane Griego  
Yuba County Board of Supervisors  
915 8<sup>th</sup> Street, Suite 109  
Marysville, CA 95901

SUBJECT: FINAL AUDIT REPORT – WASTE TIRE ENFORCEMENT  
GRANTS TEA11-04-0016 AND TEA12-05-0007

Dear Ms. Griego:

Enclosed is the report on the audit of Yuba/Sutter County's (County) Waste Tire Enforcement Assistance Grants TEA11-04-0016; and TEA12-05-0007, awarded for the periods June 30, 2005, through June 30, 2007. Our audit included a review of receipts, expenditures, internal controls, and compliance with the grant agreement provisions.

CIWMB congratulates the County on the results of this audit. No findings resulted from this review of the County provided information. Although, this review was selective and any result cannot be applied with certainty to County's grant program as a whole, we believe that this audit report is reflective of County's proper grant administration.

If you have any questions regarding this report, please contact George Mendoza, Audit Manager, at (916) 324-1358 or gmendoza@ciwmb.ca.gov.

Sincerely,

Susan Villa, Branch Manager  
Fiscal Services Branch  
California Integrated Waste Management Board



(Over)

Mary Jane Griego  
October 31, 2008  
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Enclosure

cc: Donald Schrader, Yuba County Board of Supervisors, 915 8<sup>th</sup> Street, Suite 109,  
Marysville, CA  
Kevin Mallen, Director, Community Development & Services Agency, 915 8<sup>th</sup>  
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CIWMB Audits and Evaluations Unit Files

**Yuba/Sutter County**

**Waste Tire Enforcement Assistance Grants**

**Final Audit Report**

**Grants TEA11-04-0016,  
And  
TEA12-05-0007**

**For the Periods June 30, 2005  
through June 30, 2007**

**Prepared By:  
California Integrated Waste Management Board  
Audits and Evaluations Unit**

**October 2008**

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## **PREFACE**

The California Integrated Waste Management Board awarded TEA11-04-0016, and TEA12-05-0007 Waste Tire Enforcement Assistance Grants to Yuba/Sutter County (County). These grant agreements were funded by the Tire Recycling Fund.

The grant agreements were as follows:

<b>Grant Agreement</b>	<b>Amount</b>	<b>Audit Period</b>
TEA11-04-0016	\$ 125,216	06/30/05 – 06/30/06
TEA12-05-0007	\$ 162,276	06/30/06 – 06/30/07

The objective of this audit was to determine County's compliance with the grant agreement. The audit also assessed County's compliance with fiscal and statutory requirements, as well as a review of internal controls.

This report is intended for the information and use of CIWMB and County's management. However, this report is a matter of public record and its distribution is not limited.

## **STAFF:**

Carl Coaxum  
Auditor





## AUDITOR'S REPORT

Mr. Mark Leary, Executive Director  
California Integrated Waste Management Board  
1001 I Street, MS-25A  
Sacramento, CA 95814

The Audits and Evaluations Unit conducted an audit of Yuba/Sutter County's (County) Waste Tire Enforcement Assistance Grants. Public Resources Code, Section 48657, requires California Integrated Waste Management Board (CIWMB) shall conduct a selective audit of entities to determine whether grants and recycling incentives are being paid out properly. This audit report meets this statutory requirement and is intended for the information and use of CIWMB and County's management.

This audit included a review of receipts, expenditures, internal controls, and compliance with the grant agreement provisions for:

- TEA11-04-0016, June 30, 2005 through June 30, 2006
- TEA12-05-0007, June 30, 2006 through June 30, 2007

To summarize the grant receipts and expenditures, prepared were Statements of Revenue and Expenditures for these agreements executed between CIWMB and County. These Statements were prepared from County's records and are the responsibility of County's management. The audit responsibility is to provide management reassurance on the propriety of grant payments as represented by these Statements.

The audit was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing*, issued by the Institute of Internal Auditors. These standards require that we plan and perform the audit to provide reasonable assurance as to whether County is compliant with the requirements of the grant agreements. An audit includes examining, on a substantive and control test basis, evidence supporting sample amounts listed in the Statements and grant compliance disclosures.

As part of the audit, County did provide a management representation letter. This letter is to confirm County's representations provided to us explicitly or implicitly, indicate and document the continuing appropriateness of such representations, and reduce the possibility of misunderstanding concerning the matters that are the subject of the representations.

## **Compliance**

The Statements represent fairly, in all material respects, the claimed and audited revenue and expenditures for grant agreements.

As part of obtaining reasonable assurance on the Statements, we performed tests of County's compliance with certain regulations and the grant agreement. The results of our tests disclosed compliance with the grant agreement requirements.

## **Management Controls**

In planning and performing our audit, we considered County's internal control over financial reporting in order to determine our auditing procedures on the Statements and not to provide assurance on the internal control over financial reporting.

This report is intended solely for the information and use of CIWMB and County's management, and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record, and its distribution is not limited.



Susan Villa, Branch Manager  
Fiscal Services Branch  
(916) 341-6092

October 31, 2008



# STATEMENT OF REVENUE AND EXPENDITURES

**Contra Costa County**  
**Waste Tire Assistance Grant TEA11-04-0016**  
**For the Period June 30, 2005 through June 30, 2006**

	<u>Claimed</u>	<u>Audited</u>	<u>Questioned</u>
<b>Revenue:</b>			
State Grant	\$125,216.00	\$ 125,216.00	\$0.00
Disencumbered	<u>\$70,113.92</u>	<u>\$70,113.92</u> *	<u>\$0.00</u>
Total Revenue	<u>\$55,102.08</u>	<u>\$ 55,102.08</u>	<u>\$0.00</u>
 <b>Eligible Expenditures:</b>			
Inspections	\$16,302.78	\$16,302.78	\$0.00
Surveillance	\$10,710.21	\$10,710.21	\$0.00
Enforcement	\$2,813.33	\$2,813.33	\$0.00
Education	\$1,325.98	\$1,325.98	\$0.00
Training	\$7,753.34	\$7,753.34	\$0.00
Reporting	\$5,109.54	\$5,109.54	\$0.00
Equipment Costs	\$4,462.86	\$4,462.86	\$0.00
Transportation Costs	\$5,452.60	\$5,452.60	\$0.00
Indirect (Misc) Costs	<u>\$1,171.44</u>	<u>\$1,171.44</u>	<u>\$0.00</u>
Total Expenditures	<u>\$55,102.08</u>	<u>\$55,102.08</u>	<u>\$0.00</u>
 <b>Excess of Revenue over Expenditures</b>	 <u>\$0.00</u>	 <u>\$0.00</u>	

\* \$70,113.92 of the \$125,216 awarded was not used and disencumbered.

The accompanying notes are an integral part of this statement.

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# STATEMENT OF REVENUE AND EXPENDITURES

**Contra Costa County**  
**Waste Tire Assistance Grant TEA12-05-0007**  
**For the Period June 30, 2006 through June 30, 2007**

	<u>Claimed</u>	<u>Audited</u>	<u>Questioned</u>
<b>Revenue:</b>			
State Grant	\$162,275.00	\$ 162,275.00	\$0.00
Disencumbered	<u>\$119,562.39</u>	<u>\$119,562.39 *</u>	<u>\$0.00</u>
Total Revenue	<u>\$42,712.61</u>	<u>\$42,712.61</u>	<u>\$0.00</u>
 <b>Eligible Expenditures:</b>			
Inspections	\$16,021.48	\$16,021.48	\$0.00
Surveillance	\$14,992.99	\$14,992.99	\$0.00
Enforcement	\$0.00	\$0.00	\$0.00
Education	\$835.18	\$835.18	\$0.00
Training	\$1,603.84	\$1,603.84	\$0.00
Reporting	\$1,450.62	\$1,450.62	\$0.00
Equipment Costs	\$3,655.50	\$3,655.50	\$0.00
Transportation Costs	\$2,261.84	\$2,261.84	\$0.00
Indirect (Misc) Costs	<u>\$1,891.16</u>	<u>\$1,891.16</u>	<u>\$0.00</u>
Total Expenditures	<u>\$42,712.61</u>	<u>\$42,712.61</u>	<u>\$0.00</u>
 <b>Excess of Revenue over Expenditures</b>	 <u>\$0.00</u>	 <u>\$0.00</u>	

\*\$119,562.39 of the \$162,275 awarded was not used and disencumbered.

The accompanying notes are an integral part of this statement.

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## **NOTES TO THE STATEMENT OF REVENUE AND EXPENDITURES**

**Yuba/Sutter County**  
**Waste Tire Enforcement Assistance Grant**  
**TEA11-04-0016 and TEA12-05-0007**  
**For Audit Period of June 30, 2005 through June 30, 2007**

**Note 1** Description of the Reporting Entity

Yuba/Sutter County (County), a political subdivision of the State of California governed by an elected Board of Supervisors, exercises the powers specified by the Constitution and statutes of the State. The County's reporting entity includes all significant organizations, departments, and agencies over which the County's Board exercises oversight and budgeting responsibilities. The County's Environmental Health Department has general responsibility for these grant projects. The integrated waste management enforcement programs are primarily carried out through Local Enforcement Agencies and the California Integrated Waste Management Board acting/serving as the Waste Tire Enforcement Assistance (TEA).

**Note 2** Program Information

The California Integrated Waste Management Board administers the California Solid Waste Disposal Regulatory Reform Act, which includes the disbursement of Waste Tire Enforcement Assistance Grants from the Tire Recycling Fund.

The Legislature enacted the California Solid Waste Disposal Regulatory Reform Act (Public Resources Code Sections 43200 – 43222 and 43230 – 43232). The TEA program completes and grants to local enforcement agencies in which the funds are to implement the solid waste facilities permit and inspection program. The intent of the grant funds is to enhance the LEA program by providing funds to acquire additional equipment, supplies, training, and technical support. Effectiveness of the program is measured by monitoring compliance of solid waste facilities and associated LEA programs.

**Note 3** Descriptions of Waste Tire Enforcement Assistance Grants

The County claimed reimbursement amounts of \$55,102.08 for TEA11-04-0016 and \$42,712.61 for TEA12-05-0007 for solid waste local enforcement agencies within the County jurisdiction to investigate illegal tire activities, perform waste tire facilities inspections, and survey tire dealers, auto dismantlers, tire haulers, and other points of waste tire generation to ensure compliance with all applicable laws and regulations. The grant terms covered the overall period June 30, 2005 through June 30, 2007.



The County's primary goals for the Waste Tire Enforcement Assistance Grants were to provide requirements for the disposal and storage of waste tires. County is responsible for the identification, investigation, and enforcement of waste tire generators, transporters, and facilities.

**Note 4** Summary of Significant Accounting Policies

A. Basis of Presentation

The Statements presented in this report were prepared from the County's accounts and financial transactions. The Statement summarizes revenue and expenditures recorded by the County during the reporting periods referenced in Note 3.

The Statement summarizes the County's transactions pertaining to TEA11-04-0016 and TEA12-05-0007. They are not intended to represent all of the County's financial activities.

B. Basis of Accounting

The County's accounts are maintained on the modified accrual basis and in accordance with Generally Accepted Accounting Principles. Under the modified accrual basis, revenues are recorded as they become measurable and available, and expenditures are recorded at the time the liabilities are incurred.

**Note 5**

During the performance of this audit, we observed that the County governs its Waste Tire Enforcement Assistance Grant Program in accordance with the Terms and Conditions and Procedures and Requirements of the Grant Agreement.